

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **March 9, 2004**

AGENDA ITEM NO.: 9

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **FY 2004 Water Fund Budget Amendment – 1” – 2” Water Meters**

RECOMMENDATION: Conduct a public hearing and amend the FY 2004 Water Fund Operating Budget to initiate a water meter change out program for 1”-2” water meters.

SUMMARY: The establishment of a replacement program for 1", 1 1/2" and 2" water meters is necessary to improve the accuracy of the water metering program and reduce the amount of unaccounted for water due to under registration. The Utilities Division currently has programs in place for the replacement of 5/8" meters and a program for the replacement and testing of meters larger than 2". Replacement of the 1"-2" meters has previously been on an as needed basis and has not been scheduled. This program will replace all 1" meters (approximately 350) over ten years old and all 1 1/2" – 2" meters (approximately 225) over 15 years old. This is based on the Utilities Division's experience, industry standards and manufacturer's accuracy warranties. The program cost is for the purchase of the water meters, installation will be completed by Utilities Division personnel during the remainder of FY04 and FY05.

PRIOR ACTION(S): March 2, 2004 – Finance Committee  
March 2, 2004 - Physical Development Committee

FISCAL IMPACT: Program cost for the first year is estimated at \$110,000 which will be taken from the Water Fund balance. Future years (FY06 and beyond) will be funded through the existing meter maintenance funds in the Water Operating budget.

Debt coverage ratios and Fund balance ratios will be maintained in accordance with City Council guidelines. Estimated pay back period for the new meters is 2-3 years due to increased revenues.

### FY04 Adopted Budget - Water Fund Operating Expenses

	Current	Revised	Proposed Change
Operating – Departmental	\$ 4,596,874	\$ 4,706,874	\$110,000
Operating - Non-Departmental	\$ 1,195,029	\$ 1,195,029	\$ 0
Debt Service Payments	\$ 2,248,572	\$ 2,248,572	\$ 0
Capital Outlay	<u>\$ 1,073,500</u>	<u>\$ 1,073,500</u>	<u>\$ 0</u>
Total Expenses	\$ 9,113,975	\$ 9,223,975	\$110,000

### CONTACT(S):

Joe Dawson, Technical Services Coordinator, 455-4260  
Daniel Sneed, Director of Utilities, 455-4257  
Bruce McNabb, Director of Public Works, 455-3946

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

Resolution:

BE IT RESOLVED That the FY 2004 Water Fund Operating Budget is amended and \$110,000 is appropriated from the Water Operating Fund fund balance to initiate a replacement program for 1"-2" water meters.

Introduced:

Adopted:

Certified:

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Clerk of Council

033L